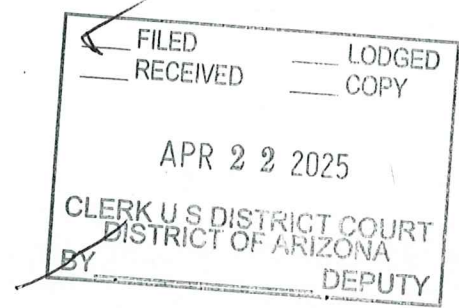


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PUBLIC DISCLOSURE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States of America,
Plaintiff,

vs.

Payam Abedi,
Defendant.

No. **CR-25-00610-PHX-SHD (ASB)**

INDICTMENT

VIO: 26 U.S.C. § 7201
(Tax Evasion)
Count 1

18 U.S.C. § 1343
(Wire Fraud)
Counts 2-4

18 U.S.C. § 1957(a)
(Transactional Money Laundering)
Counts 5-9

THE GRAND JURY CHARGES:

INTRODUCTION

1. Defendant PAYAMABEDI (“ABEDI”), 51, resides in Maricopa County, Arizona. ABEDI is a dentist and is the owner of XO Dentistry- AZ PC (“XO Dentistry 2”), which was established in 2019. ABEDI operates two dental offices located in Phoenix, AZ and Gilbert, AZ, respectively.

1 2. ABEDI previously owned both Best Choice Dental Group PLLC (“Best Choice
2 Dental”) and XO Dentistry PLLC (“XO Dentistry 1”), but both were closed in 2019.
3 ABEDI opened Best Choice Dental in 2012 and XO Dentistry 1 in 2015.

4 **SCHEME TO EVADE THE PAYMENT OF TAXES**

5 3. ABEDI attempted to evade the payment of taxes for calendar years 2014-2018 in
6 the following manner:

7 a. For tax years 2014-2016 ABEDI and his wife, with whom he filed joint tax
8 returns, filed business tax returns for several of his dental practices that overstated expenses
9 and understated income, which lowered his taxable income on his personal returns.

10 b. The ABEDIS were audited in 2016 by the IRS for tax years 2014, 2015, and
11 2016, and the IRS audit found that the ABEDIS owed additional taxes for those tax years.
12 The ABEDIS petitioned the 2014 and 2015 audit results in U.S. Tax Court. In 2019, the
13 ABEDIS agreed to resolve their challenge in U.S. Tax Court by agreeing to pay tax due
14 and owing for 2014 and 2015 in the amounts of \$173,230 and \$285,575, respectively (the
15 “2019 Settlement”). After agreeing that they owed the additional taxes, the ABEDIS
16 subsequently made minimal payments toward those two tax years.

17 c. The ABEDIS never contested the audit results for tax year 2016, which found
18 that the ABEDIS owed additional taxes.

19 d. The ABEDIS filed a tax return for tax year 2017 in which the ABEDIS
20 reported that they owed \$363,803 in taxes. The ABEDIS, however, did not pay the tax due
21 and owing for tax year 2017.

22 e. The ABEDIS filed a tax return for tax year 2018 in which the ABEDIS
23 reported that they owed \$258,109 in taxes. The ABEDIS, however, did not pay the tax due
24 and owing for tax year 2018.

25 f. On or about April 2, 2019, ABEDI signed an asset purchase agreement,
26 through which Affordable Care LLC (“Affordable”) agreed to purchase Best Choice Dental
27 and XO Dentistry 1 (along with other companies ABEDI controlled) for approximately
28 \$3.2 million. Per the purchase agreement, on or about April 2, 2019, ABEDI received an

1 initial installment payment of \$1,653,035 from Affordable. ABEDI subsequently received
2 a second payment from Affordable of approximately \$900,000 in April 2021.

3 g. As of 2020, the ABEDIS failed to pay the 2019 Settlement as well as the
4 taxes he owed for tax years 2016-2018. The ABEDIS owed a total of approximately
5 \$1,266,086.64 in taxes in early 2020, excluding penalties and interest.

6 h. The ABEDIS sought to pay a lower tax amount by filing with the IRS an
7 Offer in Compromise (“OIC”) (IRS Form 656) on or about February 7, 2020. An OIC
8 allows a taxpayer to potentially settle tax debt for less than the full amount owed. A
9 taxpayer may file an OIC if the taxpayer is unable to pay the taxpayer’s full tax liability or
10 doing so creates a financial hardship. In evaluating whether to accept or reject the OIC, the
11 IRS considers a taxpayer’s ability to pay, income, expenses and asset equity. The IRS
12 conducts this evaluation by reviewing two forms that can be filed in support of an OIC:
13 i) an IRS Form 433-A (Collection Information Statement for Wage Earners and Self-
14 Employed Individuals), in which a taxpayer reports personal assets; and ii) Form 433-B
15 (Collection Information Statement for Businesses), in which the taxpayer reports business
16 assets.

17 i. In their OIC, the ABEDIS proposed paying only \$110,000 in lieu of their
18 \$1,266,086.64 tax liability. Under penalty of perjury, ABEDI falsely attested that “[t]he
19 taxpayers are submitting the Offer in Compromise because they cannot fully pay their past
20 tax liability.” In fact, ABEDI received a payment from Affordable of approximately \$1.6
21 million in 2019, which ABEDI could have used to pay his tax liability. As of 2020, ABEDI
22 also knew that he would be receiving additional payments from Affordable in 2021 that
23 would allow him to pay his tax liability. In support of his OIC, ABEDI filed an IRS Form
24 433-A but failed to submit a Form 433-B to report business assets he owned.

25 j. In his Form 433-A, ABEDI concealed assets he owned from the IRS. For
26 example, ABEDI falsely stated that he did not have any notes receivable, despite expecting
27 that he would receive future payments from Affordable of \$900,000 and \$180,000
28 following the sale of his dental practice. ABEDI also falsely claimed that he only owned

1 a 2% interest in his primary residence when, in fact ABEDI owned (along with his wife) a
2 100% interest in his primary residence directly and/or through trusts he controlled.

3 k. In November 2020, the IRS requested that the ABEDIS provide a Form 433-
4 B after it was discovered they failed to disclose certain business assets. The ABEDIS
5 submitted an unsigned Form 433-B to the IRS on or about February 10, 2021, in which the
6 ABEDIS disclosed an additional \$868,000 in business assets. An IRS officer subsequently
7 requested that the ABEDIS submit a signed Form 433-B and the ABEDIS failed to submit
8 a signed Form 433-B Form.

9 l. The IRS denied the ABEDIS' OIC on or about May 25, 2021.

10 m. ABEDI engaged in a scheme to evade paying taxes owed for tax years 2014-
11 2018 by taking various affirmative steps, including by providing false statements to the
12 IRS in attempt to dramatically lower the taxes owed and to conceal assets, and by spending
13 funds received from Affordable for personal purchases. For example:

14 i. In May 2019, ABEDI purchased a home for \$505,000. ABEDI paid
15 for the home with a \$10,000 check from the Best Choice Dental Group bank account and
16 \$101,817.97 cashier's check from a Wells Fargo business account. ABEDI took out a
17 mortgage for the remaining balance for the home.

18 ii. In September 2019, ABEDI purchased a business property in the
19 amount of \$194,147 for Century City Investments. ABEDI paid for the property with a
20 \$5,000 check and a \$189,147 payment from the Best Choice Dental Group bank account.

21 iii. Between May and December 2019, ABEDI paid approximately
22 \$49,222 for private high school tuition.

23 iv. Between April and July 2019, ABEDI wired \$33,000 from the Best
24 Choice Dental Group bank account to his personal bank account. ABEDI used the money
25 to pay for personal expenses, such as his car loan and a mortgage.

26 v. In addition to personal expenditures, ABEDI sent two wire transfers
27 to individual F.T. totaling approximately \$386,700, shortly after receiving the initial
28

1 payment from Affordable. ABEDI made one transfer in July 2019 and the second in August
2 2019.

3 n. As of March 2025, the ABEDIS' additional tax due and owing for tax years
4 2014- 2018, including penalties and interest up to the present, is approximately \$2,385,000,
5 which includes tax due of \$372,763 (2014), \$633,084 (2015), \$345,476 (2016), \$626,961
6 (2017), and \$407,631 (2018).

7 **ABEDI'S PAYCHECK PROTECTION PROGRAM ("PPP") AND**
8 **ECONOMIC INJURY DISASTER LOAN ("EIDL") FRAUD**

9 4. Pandemic-related federal legislation enacted in March 2020 created the Paycheck
10 Protection Program ("PPP") to provide potentially forgivable loans to small businesses for
11 payroll expenses and certain specified business-related expenses. The Small Business
12 Administration ("SBA") oversaw the program, and loans were made by SBA-approved
13 lenders.

14 a. As part of the application process, the business was required to certify in
15 SBA Form 2483, among other things, that: (1) the business had employees for whom it
16 paid salaries and payroll taxes or had independent contractors; and (2) the funds would be
17 used to retain workers and maintain payroll or to make business mortgage interest
18 payments, business lease payments and other specified business expenses.

19 b. As part of the loan forgiveness process, the business was required to certify
20 in SBA Form 3508, among other things, that the amount requested for forgiveness "was
21 used to pay costs that are eligible for forgiveness (payroll costs to retain employees;
22 business mortgage interest payments; business rent or lease payments; or business utility
23 payments)."

24 c. In addition to loans through PPP, the provisions of the CARES Act, allowed
25 for SBA to offer Economic Injury Disaster Loans ("EIDL") funding to business owners
26 negatively affected by the COVID-19 pandemic. Using the SBA online portal, EIDL
27 applicants submitted personal and business information in support of each EIDL
28 application, and they did not have to submit supporting documentation of any sort.

1 d. The EIDL application included a jurat-like paragraph where the applicant
2 affirmed that the information submitted was true and correct under the penalty of perjury
3 and applicable criminal statutes. The application process involved filling out assorted data
4 fields relating to the size of the affected business entity, the ownership of said business,
5 and other information such as the number of employees and gross business revenues
6 realized in the 12 months prior to the COVID-19 impact on the national economy.

7 e. The SBA Office of Disaster Assistance (“ODA”) controls the EIDL program.
8 The ODA has authority over all loans created and disbursed under the EIDL program.

9 f. Pursuant to the provisions governing the EIDL program, loan proceeds must
10 be used by that business on certain permissible expenses. The EIDL (working capital) loans
11 may have been used by the afflicted business, which must have existed in an operational
12 condition on February 1, 2020, to pay fixed debts, payroll, accounts payable, and other bills
13 that could have been paid had the COVID-19 disaster not occurred.

14 **A. PPP Loan**

15 5. The Economic Aid Act provides that, to be eligible for a Second Draw PPP Loan,
16 the borrower must have experienced a revenue reduction of 25% or greater in 2020 relative
17 to 2019.

18 6. ABEDI owned XO Dentistry-2 and filed business tax returns (Form 1120, U.S.
19 Corporation Income Tax Return) for the business. The 2019 Form 1120 was filed on or
20 about December 14, 2020, and XO Dentistry 2 reported a total income of \$1,956,809 in
21 2019.

22 7. The 2020 Form 1120 for XO Dentistry 2 was filed on or about November 8, 2021,
23 and XO Dentistry 2 reported a total income of \$2,132,771 in 2020.

24 8. Despite an increase in revenue between 2019 and 2020, ABEDI applied for a second
25 PPP draw on or about February 15, 2021, in which he falsely claimed that XO Dentistry
26 2’s 2020 annual gross receipts were \$1,257,602.

27 9. As a result of ABEDI’s false statement on his PPP application, PPP funds of
28 \$148,555 were dispersed to BOA account XXXXXX99533 on or about March 10, 2021.

1 10. ABEDI's second draw PPP loan for XO Dentistry 2 was forgiven on or about
2 September 21, 2022.

3 **B. EIDL Loan**

4 11. ABEDI owned Best Choice Dental and filed business tax returns (Form 1065, U.S.
5 Return of Partnership Income) for the business. The 2018 Form 1065 was filed on or about
6 October 28, 2019, and Best Choice Dental reported a total income of \$1,380,325. The 2019
7 Form 1065 was filed on or about February 8, 2021, and was marked "Final Return" and
8 had a total income of \$412,078.

9 12. On or about July 14, 2020, despite Best Choice Dental no longer existing as of 2019,
10 ABEDI submitted an EIDL application for Best Choice Dental. ABEDI misrepresented the
11 income on the EIDL application by stating the business had 2019 gross revenues of
12 \$1,380,324. The loan was funded on or about August 2, 2020. ABEDI received \$149,900
13 into Best Choice Dental Wells Fargo business bank account XXXXX697905 on or about
14 August 4, 2020.

15 13. ABEDI owned XO Dentistry 1 and filed business tax returns (Form 1065, U.S.
16 Return of Partnership Income) for the business. The 2018 Form 1065 was filed on or about
17 October 28, 2019, and had a total income of \$ 1,285,594. The 2019 Form 1065 was filed
18 on or about February 8, 2021, and was marked "Final Return" and had a total income of
19 \$252,031.

20 14. On September 25, 2020, despite XO Dentistry 1 being defunct as of 2019, ABEDI
21 submitted an EIDL application for XO Dentistry 1. ABEDI misrepresented on the EIDL
22 application that the business had 2019 gross revenues of \$1,285,000. The loan was funded
23 on or about October 1, 2020. ABEDI received a deposit of \$149,900 into XO Dentistry 1's
24 Wells Fargo business bank account XXXX500679 on or about October 2, 2020.

25 15. Between approximately September 2020 and December 2020 ABEDI used EIDL
26 funds for his two defunct companies to pay Citi Bank and American Express credit card
27 bills, which included many charges for personal expenses.
28

1 16. ABEDI fraudulently misstated his former companies' 2019 total income to
2 qualify for the EIDL loans. Moreover, ABEDI filed for EIDL loans in 2020 for
3 companies that were closed in 2019. In sum, he fraudulently received
4 approximately \$300,000 in EIDL loans for Best Choice Dental and XO
5 Dentistry 1.

6 **COUNT 1**
7 **Tax Evasion**
8 **(26 U.S.C. § 7201)**

9 17. The above factual allegations are realleged and incorporated by reference.

10 18. Beginning on an unknown date, but no later than on or about April 2, 2019, and
11 continuing through April 22, 2025, in the District of Arizona and elsewhere, the defendant,
12 PAYAM ABEDI, did willfully attempt to evade and defeat the payment of a large part of
13 the income tax which was due and owing by him to the United States of America for the
14 years 2014, 2015, 2016, 2017, and 2018, and by committing the following affirmative acts,
among others:

15 a. On or about February 7, 2020, submitting an Offer in Compromise ("OIC")
16 (IRS Form 656) to the IRS in which ABEDI falsely claimed that he and his wife could not
17 pay their past tax liability.

18 b. On or about February 7, 2020, submitting a Form 433-A (Collection
19 Information Statement for Wage Earners and Self-Employed Individuals) to the IRS in
20 which ABEDI falsely claimed that he and his wife did not have any notes receivable,
21 despite him expecting to receive future payments from Affordable of \$900,000 and
22 \$180,000 related to the sale of the dentistry business. ABEDI further falsely claimed on
23 the same form that he and his wife only owed a 2% interest in their primary residence
24 when, in fact the ABEDIS owned a 100% interest in their primary residence directly and/or
25 through trusts they controlled.

26 c. In or about May 2019, ABEDI used approximately \$111,818 in cash assets
27 toward the purchase of a new home.
28

1 d. In or about September 2019, ABEDI used approximately \$194,417 in cash
2 assets toward the purchase of a new business property.

3 e. Between in or about May and December 2019, ABEDI used approximately
4 \$49,222 in cash assets toward private high school tuition.

5 f. Between in or about April and July 2019, ABEDI used approximately
6 \$33,000 in cash assets to pay for personal expenses, such as his car loan and a mortgage.

7 g. Between in or about July and August 2019, ABEDI used approximately
8 \$386,700 in cash assets to pay an individual F.T.

9 All in violation of Title 26, United States Code, Section 7201.

10 **COUNTS 2-4**
11 **Wire Fraud**
12 **(18 U.S.C. § 1343)**

13 19. The above factual allegations are realleged and incorporated by reference.

14 20. Beginning at a time unknown to the Grand Jury, but at least as early as August 2020,
15 and continuing to a time unknown to the Grand Jury, but to at least in or about March 2021,
16 in the District of Arizona and elsewhere, ABEDI, individually and doing business under
17 the entities described above, along with other individuals and entities known and unknown
18 to the Grand Jury, knowingly and willfully devised and intended to devise a scheme and
19 artifice to defraud and to obtain money and property from the PPP and EIDL programs by
20 means of materially false and fraudulent pretenses and representations, and by the
21 concealment and omission of material facts.

22 21. On or about the dates listed below, for the purpose of executing and attempting to
23 execute the scheme or artifice to defraud and to obtain money and property, ABEDI,
24 individually and doing business under the entities described above, knowingly transmitted
25 or caused to be transmitted, by means of wire and radio communications in interstate
26 commerce, certain writings, pictures, signals, and sounds, to and from the District of
27 Arizona and elsewhere, as set forth below, with each instance being a separate count of this
28 indictment:

Count	Company and Loan	Wire Date	Sender	Receiving Bank	Amount
2	(Best Choice; EIDL)	08/04/2020	SBA Denver Finance Center	Wells Fargo Account 7905 (Arizona)	\$149,900
3	(XO Dentistry 1; EIDL)	10/02/2020	SBA Denver Finance Center	Wells Fargo Account 0679 (Arizona)	\$149,900
4	(XO Dentistry 2; PPP)	03/10/2021	Itria Ventures NY, NY	Bank of America Account 9533 (Arizona)	\$148,555

All in violation of Title 18, United States Code, Section 1343.

COUNTS 5-9

Transactional Money Laundering (18 U.S.C. § 1957(a))

22. The above factual allegations are realleged and incorporated by reference.

23. On or about the dates listed below, ABEDI, individually and doing business under the entities described above, along with other individuals and entities known and unknown to the Grand Jury, knowingly engaged and attempted to engage in the following monetary transactions in the United States in criminally derived property of a value exceeding \$10,000, derived from specified unlawful activity, namely wire fraud in violation of 18 U.S.C. § 1343, with each instance being a separate count under this indictment:

Count	Wire Date	Sender	Receiving Financial Institution	Amount
5	8/10/2020	Best Choice Dental Group Wells Fargo account 7905 (Arizona)	American Express	\$10,954.33
6	8/21/2020	Best Choice Dental Group Wells Fargo account 7905 (Arizona)	American Express	\$32,605.27
7	9/14/2020	Best Choice Dental Group Wells Fargo account 7905 (Arizona)	Citibank	\$16,710.31
8	11/20/2020	Best Choice Dental Group Wells Fargo account 7905 (Arizona)	Check to Wells Fargo	\$48,745.73
9	01/07/2021	Best Choice Dental Group Wells Fargo account 7905 (Arizona)	American Express	\$28,000

1 All in violation of Title 18, United States Code, Section 1957(a).

2
3 A TRUE BILL

4
5 s/
FOREPERSON OF THE GRAND JURY
Date: April 22, 2025

6 TIMOTHY COURCHAINE
7 United States Attorney
8 District of Arizona

9 s/
10 KEVIN M. RAPP
Assistant U.S. Attorney